

## Board Update Meeting Summary | Friday, February 19, 2016

*This summary may not include all agenda items and is not considered official minutes of the meeting. For complete meeting agenda and video, click [here](#).*

### Board approved the following items on the Consent Calendar:

- Annual SCADA software maintenance and support contract for \$55,820 through November 2016.
- Work Order for \$1.7 million for 69kV breaker and relay replacements at Springs and Orangecrest Substations.
- Recommended that the City Council approve the Ground Lease Agreement with Drive Time Car Sales for \$800,000 for a five year period for Water Utility owned property in San Bernardino.

### Board approved the Tree Irrigation System Project at the former Riverside Golf Club

Assistant General Manager Todd Jorgenson provided a presentation sharing the history of the site and the inadequate manual irrigation system that was turned off when it closed in 2009. He explained that 1/3 of the trees have been lost since then even after a contractor was hired to manually water the trees. He indicated that this project would mitigate the problem with an automatic irrigation system and staff made the decision to automate watering until the outcome of the site was determined because it would impact the long term value of the site. He indicated that the irrigation project would be for the entire 120 acre site, not just the portion owned by RPU. Deputy General Manager Milligan stated that we cannot use ratepayer money to pay for maintenance of an asset that we do not own and clarified how funding for the project worked. He explained that all the costs for the maintenance of the golf course have been tracked since the time of the sale for eventual repayment from the General Fund which are performed chargebacks through cost allocations. He also indicated that this project should move forward because it offers a lower cost option that is more effective than hand watering. In the long run, installing an irrigation system will reduce both General Fund and RPU costs as the payback will be less than two years. The board approved this item after adding a recommendation to ensure that the utility and General Fund would split the cost equitably.

### Board approved a Professional Services Agreement with UCR for \$72,000 for an Economic Cost Benefit Analysis Study

Before the presentation, General Manager Girish Balachandran indicated that there has never been a formal study of our economic benefit to the community, and he would expect these to be done every 5-10 years to allow us to have information that we can share with many audiences that further our mission. Deputy General Manager Milligan provided a brief presentation that explained the need for this study. The purpose is to identify how we translate our benefit to the community into identifiable components. The study will provide data that will illustrate our benefit to the community in terms of local job impact and benefits, sustainability and green initiatives, local controls, and economic development related to utility supply. This study has been identified as a best practice to aid us in identifying our value to the community by our Hometown Connection governance consultants. Results will be used to help us communicate to our customers and be used for rating agencies among other purposes. It was requested that the scope of services be expanded to include the study of connection fees in correlation with new development and for the staff to consider how the study outcome could be impacted by including measurement based on future investment in relation to Utility 2.0 planning.

### Board approved 2015-2016 Tree Power Program

Assistant General Manager Michael Bacich gave a presentation sharing the latest Tree Power statistics with the Board. He related that although the program is a public benefit fund efficiency program, that trees do more than assist with that, they are integral to the sustainability efforts providing greenhouse gas reduction, serves as a component to urban design plans and reduce the heat island effect. He explained the rebate process and the March Free Tree Coupon. He shared that the program has an economic development component as well when customers redeem their coupon as they often make additional purchases at the nursery when they claim their tree. The efficiency benefit that is tracked for the CEC is a rather conservative 219kWh saved annually per tree. Kilowatt hours saved by trees is 10% of the annual savings we report using a net to gross ratio that accounts for making the assumption that a tree may die or be misused. Over the life of the 17 year old program, 34 million kWh has been saved. Based on current studies, trees if planted right, can represent an 8.4% savings on utility bills because they provide reduction in summer cooling costs. Authorization was given to recommend the City Council approve the program for this fiscal year in the amount of \$750,000.

**Board received and filed the Casa Blanca Substation Transformer Out-of-Service Update and plans for restoration**

Assistant General Manager Pat Hohl provided an update on the status of the Casa Blanca Substation Transformer and plans for restoration. A transformer was taken out of service at this location even though it was commissioned in 2012. Transformers service thousands of customers and perform the function of reducing voltage from our transmission system down to the circuits that power our neighborhoods. As part of maintenance, oil analysis is used for early problem detection. In December 2015, testing showed that the gas levels were very abnormal and it required a studied approach from the staff. The manufacturer is repairing the transformer. While it is out of service, there is no customer impact because we transfer loads to other circuits. We will return it to service before summer peak loads and have identified back up options if the repair is not completed in time.

**Board recognized outgoing Board Chair Susan Cash for her dedication to RPU**

General Manager Girish Balachandran recognized Board Chair Susan Cash for her five years of service. He stated that we are all going to miss an extraordinary individual who has given her time to make RPU a more effective organization, for the citizens and ratepayers. She embodies the values of which a strong community is made. She has given her time in a thoughtful manner, and raised the bar for all of us. She brought to us her experience as a CSU administrator and served on committees and as chair. She has helped the board run more effectively and efficiently and all while during a time of transition not only with staff but also the industry. Her leadership will be felt long after her service end date because she was so instrumental in playing a part in the rigorous strategic planning throughout last year. All board members gave thanks and appreciation for her efforts, and her transformative influence on the role of a Board Member.

**General Manager's Report:**

New board meeting schedule is the 2<sup>nd</sup> and 4<sup>th</sup> Monday of each month starting on 3/14/2016. The 3/28 will be rescheduled to 3/29, due to conflicts with a Board & Commission event that evening.

**Upcoming Council Meetings:**

2/23/2016 –the City Council will be provided the Magellan Fiber Report that is at 1pm

Chair Cash will be providing the Annual Presentation from the Board of Public Utilities at 6:15pm

Other items: County Fiber Agreement, Tree Power Program, Activation of Decommissioning Funds for SONGS

3/2/2016 - Government Affairs Committee – Assistant City Manager Alex Nguyen will be presenting a comprehensive Sponsorship Policy for the entire city.

**Items requested by the Board at Future Meetings:**

Review of Public Benefits Program efficiency savings and relationship with city wide benefits.